

**HOMES POLICY DEVELOPMENT GROUP
11 SEPTEMBER 2018**

REVIEW OF BUILDING SERVICES RECHARGES POLICY

Cabinet Member: Cllr Ray Stanley
Responsible Officer: Mark Baglow, Group Manager for Building Services

Reason for Report: To advise members of the revised Recharges Policy

RECOMMENDATION(S): That Cabinet adopts the revised Recharges Policy

Relationship to Corporate Plan: The Recharges Policy will be key to managing the council housing stock efficiently.

Financial Implications: The financial implications will be contained within the Housing Revenue Account (HRA). It is important to prioritise financial management of this account to ensure the all available funds are used to the best possible effect.

Legal Implications: It will be necessary to ensure that the Recharges Policy addresses all the legal obligations the Council has as a Landlord for the housing estate.

Risk Assessment: The management of circa 3000 homes for some of our most vulnerable tenants contains many risks. These risks are managed at a service level.

1.0 Introduction

- 1.1 During the 2016/17 financial year, the repairs service invoiced for rechargeable repairs to a value of £54,545 of which £11,378 was recovered and £15,681 'written off' by the end of that period. The remainder of the debt is still current and in some cases payment plans have been put in place.
- 1.2 During the 2016/17 financial year, the repairs service invoiced for handyman repairs to a value of £18,857 or which £18,090 was recovered and £244 'written off' by the end of that period.
- 1.3 The Housing Revenue Account processes and allocates any payments received in line with a previously agreed hierarchy. The 'rent account' always takes priority, therefore if a tenant is in arrears and make a payment towards rechargeable repairs that have been carried out by the Building Services team the payment will automatically be diverted to the rent account in order to pay off any arrears. Therefore although the tenant may have paid the debt due, the rechargeable repairs income cost centre will show a loss as the money has been diverted elsewhere.
- 1.4 Due to the nature of our business it is very difficult to get a former tenant to pay their debts; this is particularly prevalent where a void property has been left in poor condition. A high proportion of our unrecovered debt relates to void

properties and although we endeavour to allocate the ex-tenant this can be very difficult. Add in the fact that the tenant may be deceased with no estate and the debt ends up being written off.

- 1.5 The rechargeable repairs and the handyman service is a significant part of the annual budget, in terms of both income and expenditure. As such, it is important that this money is efficiently managed.
- 1.6 The main aim of this review is to action recent feedback from both tenants and officers alike, particularly that the policy should include clear examples for reference.
- 1.7 The timing of this review has been brought forward to coincide with the recently reviewed Compensation Policy, in order to ensure that the balance of responsibility borne by both the tenants and also Mid Devon District Council is fair and transparent.

2.0 **Proposed Changes to the Policy**

- 2.1 If accepted, the proposal is for the minor changes to the policy to be published for officer use and tenant reference.
- 2.2 This policy has been better aligned with the tenant compensation policy.
- 2.3 We have also addressed tenant feedback, comments and complaints received since this policy was last reviewed. The main area of improvement is to clarify and give more examples of typical recharges, as well as clarifying that any lists are non-exhaustive.
- 2.4 The proposed policy addresses and clarifies our new position and practice of charging for missed appointments.

3.0 **Tenant Consultation**

- 3.1 The Housing 'Tenants Together' group have been consulted on this policy and their comments taken into consideration.

4.0 **Implementation of the Recharges Policy**

- 4.1 There is little change to the policy content, only a clarification of existing policy details. The points of clarification are intended to benefit tenants as much as it is the council.
- 4.2 Implementation of this policy will be supported by action from both the Building Services and Housing teams.

5.0 **Financial Context**

- 5.1 Maintaining the Councils housing stock is the largest ongoing element of the Councils capital programme.

- 5.2 Within the annual budget there are increasing targets relating to income generation from handyman chargeable repairs.
- 5.3 Clarification of this policy and strict adherence to it should contribute to high levels of chargeable repair income recovery, improvement in recovery rates for rechargeable repairs, and a reduction in recharge write-offs. There are no additional resource implications as a direct result of this policy.

Contact for more Information:

Mark Baglow, Group Manager Building Services
mbaglow@middevon.gov.uk
Tel 01884 233011

Circulation of the Report:

Director of Operations
Cabinet Member for Housing
Tenants Together Group
Group Managers
Leadership Team
Homes Policy Development Group